

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Commonwealth Edison Company	:	
	:	
	:	
	:	Docket No. 14-0316
Petition to Make Housekeeping	:	
Revisions and a Compliance Change	:	
to filed Rate Formula.	:	

**STAFF OF THE ILLINOIS COMMERCE COMMISSION RESPONSE TO
COMMONWEALTH EDISON COMPANY’S VERIFIED PETITION TO MAKE A
HOUSEKEEPING REVISION AND A COMPLIANCE CHANGE TO COMED’S FILED
PERFORMANCE BASED DELIVERY SERVICE RATE FORMULA**

NOW COME the Staff of the Illinois Commerce Commission (“Staff”) and pursuant to the Administrative Law Judge’s May 1, 2014 Ruling file this Response to Commonwealth Edison Company’s (“ComEd” or the “Company”) Verified Petition to Make a Housekeeping Revision and A Compliance Change to its Filed Performance Based Delivery Service Rate Formula (“Petition”) filed on April 16, 2014.

BACKGROUND

1. On May 29, 2012, the Commission entered a Final Order in Docket No. 11-0721, ComEd’s initial formula rate filing pursuant to Section 16-108.5 of the Public Utilities Act (“PUA”). The Commission noted therein that “[i]n this proceeding, the Commission’s task is to: (1) establish the formula for recovery of ComEd’s delivery services costs, to be set forth in ComEd’s proposed tariffs as modified by the ruling in this Order.” (Commonwealth Edison, ICC Docket No. 11-0721, Order at 2, May 29, 2012.) The Commission ordered, among other things, that with the exception of formula rate schedules FR A-1 and FR A-1 REC, “the workpapers and schedules, etc. may be part

of a [formula rate] filing, but they are not to be part of the [formula rate] tariffs.” (Id. at 153.)

2. On December 18, 2013, the Commission entered a Final Order in Docket No. 13-0318, ComEd’s Annual Formula Rate Update and Revenue Requirement Reconciliation (“13-0318 Order”). Those rates went into effect January 1, 2014. Over the objection of ComEd, the 13-0318 Order directed ComEd to make two separate Cash Working Capital calculations: one for determining the filing year revenue requirement and another for determining the reconciliation revenue requirement.

3. On December 20, 2013, ComEd filed a Compliance Filing including delivery service tariff sheets and informational sheets in compliance with the 13-0318 Order. In its compliance filing, ComEd reflected the effect of the Commission’s decision on Cash Working Capital.

4. On April 16, 2014, ComEd filed its Annual Formula Rate Update and Revenue Requirement Reconciliation (“2014 FR Filing”), contemporaneously with its Petition. ComEd’s 2014 FR Filing reflects the 13-0318 Order’s Cash Working Capital directive in Schedule B-1 and Appendix 3.

5. The instant Petition seeks approval under Section 9-201 to make changes to its formula rate schedule and appendix that are not part of its formula rate tariff, as the Commission described in its Order in Docket No. 11-0721, specifically: (1) Schedule B-1 and Appendix 3 to reflect the 13-0318 Order’s Cash Working Capital directive; and (2) Schedule B-2 to reflect a change to a footnote to reconcile a value on the schedule with FERC Form 1 inputs. ComEd noted that “a housekeeping change should be made to the rate formula in order to make the formula more readily understood.” (Petition at 4.)

ComEd also noted that the 13-0318 Order required a change to the Cash Working Capital calculation inputs. (Id. at 5.) ComEd included the revisions to the schedules and appendices, which Staff has reviewed.

APPLICABLE LAW

6. Section 16-108.5(d) forbids any changes to the structure or protocols of the performance-based formula rate in an annual formula rate proceeding:

The Commission shall not, however, have the authority in a proceeding under this subsection (d) to consider or order any changes to the structure or protocols of the performance-based formula rate pursuant to subsection (c) of this Section.

220 ILCS 5/16-108.5(d).

7. Section 16-108.5(c) requires, in relevant part, that subsequent changes to the performance-based formula rate structure or protocols are to be made as set forth in Section 9-201 of the Act:

Subsequent changes to the performance-based formula rate structure or protocols shall be made as set forth in Section 9-201 of this Act, but nothing in this subsection (c) is intended to limit the Commission's authority under Article IX and other provisions of this Act to initiate an investigation of a participating utility's performance-based formula rate tariff, provided that any such changes shall be consistent with paragraphs (1) through (6) of . . . subsection (c).

220 ILCS 16-108.5(c).

8. Any formula rate structure or protocol changes ordered by the Commission in the Section 9-201 filing are to be made when new rates take effect, but require no less than 30 days' notice:

Any change ordered by the Commission shall be made at the same time new rates take effect . . . provided the new rates take effect no less than 30 days after the date on which the Commission issues an order adopting the change.

220 ILCS 5/16-108.5(c).

RESPONSE TO COMED'S FILING

9. While Staff is not opposed to the changes proposed in ComEd's Petition and agrees that the proposed "Housekeeping Revisions" are consistent with the 13-0318 Order, ComEd's December 20, 2013 Compliance Filing, and ComEd's filing in Docket No. 14-0312, Staff notes that the Commission had already ordered that the Company's Cash Working Capital be calculated separately for the filing year and for the reconciliation year in its 13-0318 Order. (Commonwealth Edison, ICC Docket No. 13-0318, Order at 18, December 18, 2013.) Accordingly, the proposed changes to Schedules B-1 and Appendix 3 do not require an additional Section 9-201 approval by the Commission. While ComEd's petition is redundant, Staff acknowledges that the Company is permitted to bring filings under Section 9-201 to the Commission and the Commission has the authority to adjudicate such a filing.

10. Staff notes that in the pending Docket No. 13-0501, the issue of what constitutes a formula rate structure or protocol is being litigated.¹ Specifically, it addresses the issue as to which formula rate schedules, appendices or workpapers are part of the formula rate structure or protocol that cannot be changed by the Commission except in the context of a Section 9-201 filing.² In not opposing ComEd's Motion, Staff does not waive any positions it has taken in Docket No. 13-0501 regarding changes to the

¹ Docket No. 13-0501 is a complaint by the People of the State of Illinois to suspend tariff changes submitted by Ameren IL ("AI") and to investigate AI's formula rate tariff. The parties are awaiting the ALJ's Proposed Order in that matter.

² Staff's position in Docket No. 13-0501 is that the "formula rate structure" is reflected in the Commission-approved formula rate tariff which includes only Schedules FR A-1 and FR A-1 REC. Thus, Staff concludes there that the Commission can order rate adjustments during a formula rate proceeding even if such adjustments necessitate a change to the physical format or layout of a formula rate schedule, appendix or workpaper (that are not in the approved formula rate tariff) without need of a Section 9-201 proceeding. Staff notes this is consistent with the Commission's view on this matter in its Formula Rate Order in Docket No. 13-0301. (Ameren Illinois, ICC Docket No. 13-0318, Order at 150, December 18, 2013.)

formula rate schedules and appendices that are not in the Company's approved formula rate tariff, such as those sought in this Petition, within a Section 9-201 filing.

11. To facilitate clarity, Staff recommends that the Order in this proceeding specifically indicate that: (1) ComEd's Petition is largely seeking approval to implement in the 2015 rate year the same Cash Working Capital calculation the Commission ordered it to implement in Docket No. 13-0318 and which ComEd has already implemented for the 2014 rate year; (2) while ComEd has the right to make a Section 9-201 filing before the Commission, it is not required to do so given ComEd's request in this Petition; and (3) the Commission's decision in this docket has no bearing on the decision that it must and will separately make in the ongoing Docket No. 13-0501.

. WHEREFORE, Staff does not oppose ComEd's Petition.

Respectfully submitted,

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